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AMENDMENTS TO LB 759

(Amendments to Standing Committee amendments, AM1142)

1           1. Insert the following new sections:

2           "Sec. 10. Section 77-2704.23, Reissue Revised Statutes  
3 of Nebraska, is amended to read:

4           77-2704.23. Sales and use taxes shall not be imposed on  
5 the gross receipts from the sale, lease, or rental of and the  
6 storage, use, or other consumption in this state of sales and  
7 purchases of semen and insemination services for use in ranching or  
8 farming or for commercial or industrial uses.

9           Sec. 13. Section 77-2704.33, Reissue Revised Statutes of  
10 Nebraska, is amended to read:

11          77-2704.33. (1) When a written contract exists for a  
12 fixed price for a construction, reconstruction, alteration, or  
13 improvement project and the sales tax rate is increased during the  
14 term of that fixed-price contract, the contractor may apply for a  
15 refund of the increased sales tax amount if such refund amount  
16 exceeds ten dollars. The contractor shall be refunded such  
17 increased amount if the contractor certifies that the contract was  
18 entered into prior to the increase in the tax and that the  
19 increased tax for which the refund is requested was paid on the  
20 materials annexed to real estate in the project. The contractor  
21 shall agree to submit a copy of the contract or other evidence  
22 necessary to prove the validity of the application to the  
23 satisfaction of the Tax Commissioner. In the event that the sales

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1 tax rate is decreased during the term of that fixed-price contract,  
2 the contractor shall pay to the Department of Revenue the decreased  
3 sales tax amount if the amount of such payment exceeds ten dollars.  
4 Failure by a contractor to pay the decreased sales tax amount as  
5 provided in this section shall be a Class I misdemeanor if the  
6 amount is three hundred dollars or more and a Class IIIA  
7 misdemeanor in all other cases.

8       (2) When a written contract exists for a fixed price for  
9 a construction, reconstruction, alteration, or improvement project  
10 and the annexation or repair labor became subject to the sales and  
11 use tax during the term of that fixed-price contract, the taxpayer  
12 may apply for a refund of the increased sales tax amount if such  
13 refund amount exceeds ten dollars. The taxpayer shall be refunded  
14 such increased amount if the taxpayer certifies that the contract  
15 was entered into prior to the increase in the tax and that the  
16 increased tax for which the refund is requested was paid on the  
17 labor applied to materials annexed to real estate in the project.  
18 The taxpayer shall agree to submit a copy of the contract or other  
19 evidence necessary to prove the validity of the application to the  
20 satisfaction of the Tax Commissioner. In the event that annexation  
21 or repair labor is removed from the sales and use tax base during  
22 the term of a fixed-price contract, the taxpayer shall pay to the  
23 Department of Revenue the decreased sales tax amount if the amount  
24 of such payment exceeds ten dollars. Failure by a taxpayer to pay  
25 the decreased sales tax amount as provided in this section shall be  
26 a Class I misdemeanor if the amount is three hundred dollars or  
27 more and a Class IIIA misdemeanor in all other cases."

1                   2.     On page 12, line 18, after "act" insert ". For  
2 purposes of this subdivision, fifty percent of the total cost of  
3 any project for the construction, repair, or annexation of property  
4 to real estate shall be considered the cost of the labor"; in line  
5 19 strike "camps and"; in line 21 strike "to" insert "performed  
6 with regard to tangible"; in line 22 after "property" insert "when  
7 any repair parts would be subject to sales and use tax"; in line 25  
8 strike "specialty"; and in line 26 after the first "services"  
9 insert "provided with regard to animal life other than animal life  
10 of a kind the products of which ordinarily constitute food for  
11 human consumption".

12                   3.     On page 21, line 22, after the comma insert "for  
13 detective services under subdivision (4)(i) of section 77-2702.07,  
14 in the case of a customer who is an individual, if the individual  
15 is residing in this state, or in the case of a business customer,  
16 if the principal place of the business is located in this state,";  
17 and in lines 23 through 25 strike the new matter and reinstate the  
18 stricken matter.

19                   4.     On page 35, line 19, strike "performed" and insert  
20 "purchased"; and strike beginning with "or" in line 20 through  
21 "(2)" in line 24 and insert a period.

22                   5.     On page 36, lines 2 and 5, strike "section" and  
23 insert "subsection"; and after line 6 insert the following new  
24 subsection:

25                   "(2) A taxpayer shall be entitled to a refund of any  
26 sales tax paid on construction, annexation, or repair labor for any  
27 addition to or rehabilitation of an existing building that

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1 increased the market value of the building by at least one hundred  
2 percent. The refund granted in this section shall be conditioned  
3 upon filing a claim for the refund on a form developed by the Tax  
4 Commissioner. The requirements imposed by the Tax Commissioner  
5 shall be related to ensuring that the labor purchased qualifies for  
6 the refund. Any information received pursuant to the requirements  
7 of this subsection may be disclosed to any tax official in this  
8 state. Any taxpayer who provides false information on the forms  
9 required by the Tax Commissioner for purposes of this subsection  
10 shall be subject to the penalties provided in subsection (8) of  
11 section 77-2705".

12 6. On page 39, lines 13 and 14 strike "and 77-2704.24"  
13 and insert "77-2704.23, 77-2704.24, and 77-2704.33".

14 7. Renumber the remaining sections and correct internal  
15 references accordingly.